S. HRG. 99-554

NOMINATION OF C.C. HOPE, JR.

HEARING

BEFORE THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

NINETY-NINTH CONGRESS

SECOND SESSION

ON

THE NOMINATION OF C.C. HOPE, JR., OF NORTH CAROLINA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE FEDERAL DEPOSIT INSURANCE CORPORATION FOR A TERM OF 6 YEARS, FROM MARCH 28, 1986, VICE IRVINE H. SPRAGUE, TERM EXPIRED

MARCH 18, 1986

Printed for the use of the Committee on Banking, Housing, and Urban Affairs

U.S. GOVERNMENT PRINTING OFFICE

58-836 O WASHINGTON : 1986

S241-20

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NOMINATION OF C.C. HOPE, JR., TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

TUESDAY, MARCH 18, 1986

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.

The committee met, at 11 a.m., in room SD-538, Dirksen Senate Office Building, Senator Jake Garn (chairman of the committee) presiding.

Present: Senators Garn, D'Amato, Gorton, Hecht, Dodd, and Dixon.

Senator HECHT [presiding]. The hearing will come to order.

Senator Helms, Congressman Neal, do you want to take a seat right up here?

The distinguished Senator from North Carolina, Senator Helms.

STATEMENT OF JESSE HELMS, U.S. SENATOR FROM THE STATE OF NORTH CAROLINA

Senator HELMS. Mr. Chairman, members of the committee, I feel a bit like coming home. I served on this committee in the early part of my Senate career. I miss it. It is a pleasure to be here.

Senator HECHT. Aren't you sorry you moved to the Agriculture Committee?

Senator HELMS. Foreign Relations.

I have a small confession to make, Mr. Chairman. I have known C.C. Hope, Jr., well and favorably for more than three decades, but it was only last night that I learned that his name is Clarence Caldwell Hope, Jr. [Laughter.]

But then he probably couldn't tell me my middle name either.

But I am pleased to come here, as I say, Mr. Chairman, to urge speedy approval of the President's nomination of C.C. Hope, Jr., to serve on the Board of the Federal Deposit Insurance Corporation.

When I first met C.C., it was in 1953. He was a junior officer of what was then a relatively small bank in Charlotte, NC. That bank is no longer small, relatively or otherwise. To the contrary, First Union Corp. Holding Co. is one of North Carolina's most respected and successful banking institutions.

C.C. Hope, Mr. Chairman, played a major role in the growth and development of that fine institution.

As I told C.C. just now, last night, when I was reviewing his remarkably fine career, I found myself wondering how he managed to do so many things so well. And then I recalled that, he's always been a mover and shaker.

I am not going to intrude upon this committee's time with a detailed recitation of C.C.'s achievements. It is all set forth in the material in your committee's files. He's served as the president of the American Bankers Association, his contributions to the advancement of the quality of bank operations in America and his dedication to the training and education of bankers to improve their efficiency, his almost unbelievable service in so many ways to his community, his church, his State, his Nation, are all there for the committee to see.

But let me say this, Mr. Chairman, C.C. Hope, Jr. is and always has been, a thoroughly decent, honorable and dedicated American. Whatever he has undertaken, he has done well, and he's done it with good cheer. He is a remarkably popular and respected citizen of my State.

As the committee will note, C.C. responded to questions asked of him, as they are asked of all nominees, as to how he plans to conduct himself, if and when he is confirmed to serve on the Board of the FDIC. And his answer, I think, discloses a very great deal about this man.

Here is what he said in response to that question:

> I will continue to study and will work diligently to encourage and develop soundness, safety, and stability in the banking system of our Nation. I would welcome that oppportunity.

Now knowing C.C. as I do, that was not merely a statement by this distinguished American. It was a commitment. And you can put it in the bank.

That is why the President made the judgment that C.C. would serve admirably on the Board of the FDIC at this crucial time. And all who know C.C. Hope, Jr., concur in the President's judgment. I do, and I unhesitatingly commend him to this committee and hope that the nomination will quickly be reported to the Senate for hearing.

I thank you very much, Mr. Chairman.

Senator HECHT. I thank the distinguished Senator. I have learned so much from you, because you are such a statesman. As I read the statement and all of this information, I see that in 1984, Mr. Hope donated $1,000 to the James B. Hunt for Senate Committee. And you are a forgiving man. [Laughter.]

Senator HELMS. Well, all are entitled to make one mistake. [Laughter.]

Senator HECHT. Thank you, Senator Helms.

Senator HELMS. I might say that there was a great deal of pressure on everybody in the administration to make a campaign contribution at that time, and I understand perfectly.

Senator HECHT. Congressman Steve Neal.

STATEMENT OF STEPHEN L. NEAL, U.S. REPRESENTATIVE IN CONGRESS FROM THE FIFTH DISTRICT OF THE STATE OF NORTH CAROLINA

Mr. NEAL. Thank you, Mr. Chairman, for giving me this opportunity to say a few words about my good friend, C.C. Hope. As I am sure you know, I am of the other persuasion, and I hope that doesn't hurt C.C. C.C. has been such an outstanding citizen of North Carolina, I just want to endorse everything that Jesse has said and add just a couple things.

C.C. has been a moving force in improving Wake Forest University, which is in my hometown, and which I am very proud of. C.C. has devoted his life to North Carolina to serving above and beyond his business duties, serving the public of North Carolina in so many ways, that I couldn't begin to enumerate them, but always with dignity, always with dedication, and always with an independent outlook and independent views. He served in the administration of one of our fine Governors, Governor Hunt. He served with great distinction, but again, always with an independent outlook.

I want to say that I know that C.C. will serve in the same way on the Board of the FDIC. Nominally, a Democrat, always with independent views and sound, balanced judgment.

Mr. Chairman and other members of the committee, I offer an unqualified endorsement for this fine man, who has, in so many ways, enriched the lives of the people of our State, and I thank you for this opportunity to be with you.

Chairman GARN [presiding]. Thank you.

OPENING REMARKS OF CHAIRMAN GARN

I also thank Senator Helms for being here. I apologize for being a few minutes late. Senator Hecht gracefully kept the record of the Banking Committee of always starting on time intact. No one has had to substitute before. However, Senators Dole and Byrd had suggested to the Rules Committee that a painting of the seven *Challenger* astronauts for a wall on the first floor of the Capitol. We just finished announcing it. As I am sure you can understand, it was not possible for me to leave. Anything else I could leave, but not that. And I do think it is a fitting honor, not only for the seven friends of mine who lost their lives in *Challenger,* but for the living astronauts, who seem to be ignored lately. There is still a great astronaut corps in Houston, training, planning a future when we are able to fly again. They are the best of the best that this Nation has produced. They are very dedicated. They risk their lives and make other personal sacrifices. Also they are not paid very much for sitting on 4 million pounds of fuel.

So I think it is a fitting honor that they have a place over in the Capitol.

So that is why I was late and why I appreciate Senator Hecht keeping the Banking Committee on time until I could get here.

We thank both of you gentlemen for being here. If you would like to stay, you can, but we understand what committees are meeting in the House and the Senate. We would allow you to leave.

Senator DODD. Mr. Chairman, I would just like to recognize my good friend and former colleague in the House. We were elected to

the House in the same year, 1974, 12 years together. It is a pleasure to see you over here.

Mr. NEAL. Thanks Chris.

Senator HELMS. He's Mr. Hope the nominee, not Congressman Neal! [Laughter.]

Senator DODD. I know where you were, Jesse. [Laughter.]

I have great respect for Jesse, as well.

The CHAIRMAN. I notice Congressman Barnard just walked in. Did you have anything you would like to add?

STATEMENT OF DOUG BARNARD, JR., U.S. REPRESENTATIVE IN CONGRESS FROM THE 10TH DISTRICT OF THE STATE OF GEORGIA

Mr. BARNARD. Thank you, Mr. Chairman. It is always a pleasure to come over to the Senate side. I am delighted to be here today to be with you and Chris Dodd, and say that I am delighted to be here in the interest of the country, actually, and the Federal Deposit Insurance Corporation.

I have known C.C. Hope a long time. He is a great man. He is a great American. He was a great banker, and I think he will make a very significant contribution to the regulatory process of our country. We all know that there is no more important function today than our deposit insurance. So the committee is taking up deposit insurance reform, and I think the strength of our FDIC is going to be in the components on its Board. I am encouraged by the Senate's selection and appointment of Bill Seidman, and I think that C.C. Hope will make a tremendous contribution to that Board.

I am delighted to be here, Mr. Chairman, to endorse his nomination.

The CHAIRMAN. Thank you, Congressman Barnard. We appreciate you dropping by with that ringing endorsement. Thank you very much.

Senator DODD. Doug.

Mr. BARNARD. Chris, good to see you. Thank you.

The CHAIRMAN. Mr. Hope, we are happy to have you with us today. I share the views of my colleagues who have introduced you and endorsed you today. I think you are an excellent choice for this position. The President has made a wise decision in nominating you to be the Director of the FDIC. I believe your broad experience in banking will be very helpful to your deliberations as a member of that Board. You are certainly well aware of how the banking system works. Now, you will be taking on a new role, however, as a regulator. Sometimes it is interesting, when you get on the other side of that table. Viewpoints sometimes change, and that is to the good to be able to wear one hat and have experience with another one. I know your experience will help you make wise decisions.

So I welcome you here to the committee today. I think you will be a great addition to the Board, and we look forward to a rapid confirmation.

Senator Dodd, do you have anything you wish to say?

Senator DODD. I would just echo your comments, Mr Chairman. Obviously, broad experience and deep background, and I think he

will contribute a tremendous amount of information on these issues.

We are delighted to have you here today and to support you.

The CHAIRMAN. Chris, I also want you to notice in my glowing remarks about Mr. Hope, I also say nice things about Democrats once in a while.

Senator DODD. We took notes, Jake. [Laughter.]

The CHAIRMAN. Well, you need to know, my father was a lifelong Democrat.

Senator DODD. Don't know what happened along the way.

The CHAIRMAN. Well, interestingly enough——

[Laughter.]

The CHAIRMAN. Interestingly enough, I'm kinda liberal compared to my father. [Laughter.]

And he was a Democrat, but I got my philosophy from him. Most Utah Democrats were a little more conservative than some Eastern Republicans, as a matter of fact.

Mr. Hope, we are happy to have you before us.

Do you have an opening statement you wish to make?

STATEMENT OF C.C. HOPE, JR., NOMINEE FOR THE POSITION OF DIRECTOR, FDIC

Mr. HOPE. Thank you, Senator. Thank you, Mr. Chairman. Thank you, Senator Hecht, Senator Dodd.

First I want to thank you for permitting me to appear before this committee, for pushing this hearing to an early date after the announcement by the President. I am very grateful to you. I welcome the opportunity to come here today to answer questions about me, put to me. Let me also thank Senator Helms and Congressman Neal and Congressman Barnard for their comments. I am most grateful to them. Our comradeship goes back over many years.

I also want to, Mr. Chairman, say that I am most grateful for being considered for the opportunity to work with a person like Chairman Seidman, whom I recently learned to know and have been with, and Robert Clarke, the Comptroller, the third other member of the Board of the FDIC, whom I have known for many years.

I consider that to be a very outstanding duo. I welcome the opportunity to work with them.

I am also grateful for the opportunity to follow, possibly, Irvine Sprague, who has served many years in public service.

Mr. Chairman and Senators, my career in banking began in 1947 at a bank that was at the time $35 million in size. It was known as the Union National Bank of Charlotte. And at that time, although North Carolina had long had laws that would permit statewide branching, that bank had chosen not to branch, and so when I joined the bank that year, it had no branches. It opened several neighborhood branches that year, and I moved from being a teller at that time to finally what was called an acting branch manager. They didn't trust me to be a branch manager, first, but that came after about 6 months.

Then following that, as the bank began to grow and expand in the city of Charlotte about 1957 or 1958, 1957, in fact, our largest

competitor across the street announced that two banks were merging. That put everybody in our bank sort of in a tizzy. And I went off to New York to meet the person who has, over the years, become a very good friend of mine by the name of M.A. Shapiro. Mr. Morris Shapiro began to try to teach me something about merging banks.

In 1958, we merged with the First Bank, 120 miles away in Asheville. It was in five cities. All of a sudden, we found ourselves trying to line up lines of credit authority, reporting authority across the geographic space of 120 miles. Over the next 15 years, I worked in the field negotiating bank mergers, and we had 28 mergers in that 15-year period from 1958–73. That formed the basis of the institution that is now about a $16 billion institution.

But during that period of time we had a need to upgrade our own systems and our own process, and I was very fortunate, Mr. Chairman and Senators, to be able to go to places like the Irving Trust Co., the Manufacturers Trust Co., and State Planters Bank in Richmond to study commercial credit departments. Our bank, at that time again, did not have a commercial credit department. We had two old brown file cabinets in the back hall. Usually, we'd have one-page financial statements on file and no profit and loss statement of a customer.

From that experience of about 6 months in New York and then studying with the Robert Morris Associates in Philadelphia, and then following that period of time I spent with Bank of America and Valley National, we were able to set up our own commercial credit department, as well as our lines of authority in reporting for branches.

Over that period of time, I have had an opportunity to work in practically every aspect of the bank's operations.

I would welcome the opportunity now to move to this other, as I might call it, the regulatory side, to try to use the time over the next several years to bring about whatever contribution I can make. In my long experience in banking, my wide knowledge of many banks across the country, I have had an opportunity during my period of service with the banking industry to travel to, speak with and meet with bankers in every one of the 50 States. I have spoken in every one of your States, every member of your committee, and I know the names of people in every State who have helped me over the years in banking.

I would like to have the opportunity now to turn that back into service to the industry by service on the Board of the FDIC.

Thank you very much for permitting me to make this opening statement.

The CHAIRMAN. Thank you very much, Mr. Hope.

Before we start the questions, if I could have you stand and be sworn.

[Witness sworn.]

The CHAIRMAN. Senator D'Amato, while you're here in person, I was just going to put the statement in the record, but I will let you do it all by yourself.

STATEMENT OF SENATOR ALFONSE D'AMATO

Senator D'AMATO. I would like to welcome Mr. Hope to the Banking Committee. Mr. Hope you have been nominated to the position of Director of the FDIC at a very critical time. Due to the precipitous drop in oil prices and the depressed condition of the farm economy, many banks insured by the FDIC are experiencing difficulties. As you know, this committee has been examining various proposals to ensure the financial viability of these institutions and the adequacy of the deposit insurance funds. I am interested to learn of any suggestions that you may have in this regard.

As a Director of the FDIC, you are charged with shouldering many responsibilities, foremost of which is to ensure the safety and soundness of the banking system. This is not an easy task since the foundation of that system is dependent upon the public confidence in it. It appears from your academic and professional accomplishments that you are suitably equipped to handle the demands of the job. We are fortunate to have such an accomplished individual accept this position. I look forward to working with you in the future to increase further the safety, soundness, and stability of our banking system.

The CHAIRMAN. Mr. Hope, given your long association with First Union National Bank, do you agree to recuse yourself from any matter which may specifically and directly involve that institution?

Mr. HOPE. I do, Mr. Chairman.

The CHAIRMAN. It is my understanding that, if confirmed, you will dispose of all stock in any bank; is that true?

Mr. HOPE. Yes, sir; I have already done that, Mr. Chairman.

The CHAIRMAN. In your tenure as Director of the FDIC, do you agree not only to avoid conflict of interest but agree to avoid even the appearance of conflict of interests?

Mr. HOPE. I certainly do.

The CHAIRMAN. Will you agree to testify in front of this or any other constituted committee of Congress, if requested?

Mr. HOPE. I certainly will.

The CHAIRMAN. Mr. Hope, this is a very general question to begin with. As you indicated, you spent nearly 40 years in banking. As I said, I certainly think the FDIC and the country are fortunate to have a man on the FDIC with that kind of background. Could you briefly describe the changes in banking that have occurred in the 40 years you've been in the industry?

Mr. HOPE. Mr. Chairman, I think that the changes I have seen, with perhaps the most significant impact, is the change—well, there are two or three. One is the change in the composition of a bank's total assets and liability structure.

When I joined the bank in 1945, I remember a prime rate of, I think, about 1½ to 1¾ percent. At that time about only 32 or 33 percent of banks' liabilities were in time deposits. In addition to that, the loan-to-deposit ratio at that time was only about 33–35 percent, was considered safe and sound. And the capital-to-asset ratio of about $1 of capital for every $10 of assets. We all know without my reviewing it what has taken place with those ratios and the composition of banks over these past years.

I suppose that the deregulation that has been in effect now for some years and has been moving in other phases of the banking industry, has had an effect also on the direction of banks.

I think that perhaps the thing that is going on today that is most significant is the move to interstate banking on a regional basis. I can remember traveling around the country and speaking at banker association meetings only 5 or 6 years ago, when I did not dare mention the subject of interstate banking. The States considered that their own prerogative in their meetings to deal with that.

They were opposed to interstate banking, and if they were even opposed to branch banking in their States, they wanted that left to them to decide, not someone on a national basis. But now we see many regional compacts springing up, and we see a massive move for tremendous banks to grow in areas where only small banks existed.

The CHAIRMAN. I certainly agree with your statement about 5 or 6 years ago. You and I were on some of the same programs, and I too would have been afraid to talk about interstate banking. In fact, even the predictions that I made at that time, you get a crystal ball question, what do you think the banking industry will look like 5 years down the road? And I used to say that, well, my crystal ball wasn't any clearer than anybody else's, but if you force me to answer, I will try to describe what I think it will look like.

At that time, I was being criticized for being too foresighted. These things weren't going to happen.

Well, those who said I was wrong were correct, because I vastly underestimated the speed of change within the financial services industry. I would not have believed, just as you have described, that we would see this incredible new force, regional banking, crossing State lines, by the very people who were opposing it at the time.

You may not even be aware of this, but the biggest shock of all was in my own State. The State legislature, less than 2 months ago, passed an interstate banking bill. Not regional, they did that a couple of years ago. The 10 Western States, excluding California. But they passed a full interstate banking bill with only a 2-year trigger, troubled institutions, until January 1 of 1988, and then anybody who wants to come in, be our guest. Less than 2 years from now.

So talk about an indication of change. When a fiscally and financially conservative State like Utah—we were arguing in the House about a 5-year figure, and I had all kinds of opposition. Don't let that happen. My own State, the bankers in my own State come up with a 2-year trigger less than a year later.

So you accurately describe the changes that I don't think anybody could have foreseen that we could move so rapidly.

As you well know, we have been holding hearings since late last summer on Federal Deposit Insurance, not only the FDIC, but the FSLIC, as well. We are trying to figure out how best we can address the problem and strengthen the funds and even make them more strong. We just completed those hearings last week and have not come to any conclusions ourselves yet on what type of a bill that we will propose. And so it is unfair for me, before you have even been sworn in, for me to pin you down on any specific an-

swers that you might have for changing the FDIC and the insurance funds, but do you have any general comments you wish to make on how we could strengthen the fund? We have heard a lot about risk-based premiums, risk-related capital. We've heard about merging the FSLIC, the FDIC. A lot of suggestions.

But do you have any general advice for the committee on how we might proceed?

Mr. HOPE. Mr. Chairman, I do think that, as you have mentioned, it is a very complex, involved issue. But as far as the merger of the funds, I have never been too much carried away with bringing about a merger of the funds as being the solution to the problem.

I have felt that the strengthening of the insurance fund, by having examinations, while having premiums that relate to the risk of the institution, is probably one of the best vehicles by which to travel. I think it has a lot of difficulty, because it could be subjective in some ways. That is, an analysis of what is a risk situation, and what is not. Therefore, having a formula or having a system by which we might analyze a bank's position and therefore, base its premium on that risk, is not an easy matter to contend with. But I think it is an important matter to consider, and I would think that is a matter we should be giving some attention to, just as risk-related capital is another. I think in the long run, the turnaround in the industry and in the Nation is going to be the best thing for the insurance fund, and by that I mean, we know we've been going through a very critical time. While we have had bank failures in the past, we've had nothing like the troubled banks, the troubled bank list and the number of failures we've had in recent times, except, of course, back in the 1930's. But I think that if we, as a regulatory agency, can assist banks, and therefore, assist segments of our country's economy, to hang on, I think it is critical now to help lead the way in which banks may be able to hang on and work their way through some of the crises that are involved.

I think that will do more to help us, in the long run, strengthen the fund than almost anything else.

I have never felt that it ought to be the part of a regulator to try to bring about the closure of financial institutions, but it ought to be the part of the regulator to help banks survive, and therefore, help farmers survive, help energy interests survive. You know, we've all gone through ups and downs.

I remember the REIT crisis. Then the REIT crisis in my own bank, the first thing we did was find out about the problem early, get to work on it hard and quit running the country making speeches, but stay at home and get the problem under control and take our losses, cut, and get out.

I think that in the long run that sort of getting back to basics was important for us, not only for the industry, but it will be important for the insurance funds.

The CHAIRMAN. Thank you. Senator Gorton.

Senator GORTON. Mr. Chairman, I don't have any questions. I understand, both from what I have heard and from what I've read, that Mr. Hope is an excellent candidate for this position.

Mr. HOPE. Thank you, Senator.

The CHAIRMAN. Senator Dixon.

Senator DIXON. Mr. Chairman, I have been in a markup in the Armed Services Committee, so I was not able to hear the distinguished witness' testimony, but I have a statement.

STATEMENT OF SENATOR ALAN DIXON

Mr. Chairman, I am pleased to be here this morning as the Banking Committee considers the nomination of Clarence Caldwell Hope, Jr., to be a Director of the Federal Deposit Insurance Corporation.

This is a time of great challenge for the Federal Deposit Insurance Corporation and its Directors. There were 120 bank failures last year—the highest number since the Great Depression. For the first time ever, banks received no rebate on the insurance premiums they paid into the FDIC insurance fund.

There are major questions as to whether a risk-related premium structure ought to be instituted for the insurance fund. There are also important questions about the FDIC's handling of bank failures. There have been numerous complaints that uninsured depositors have been protected at large banks, but not at small ones.

These are just a few of the areas that this nominee, if confirmed, will have a major voice in resolving. I look forward to hearing from Mr. Hope, and to learning more about his views on insurance fund issues and on banking issues generally.

Mr. HOPE. Thank you, Senator.

The CHAIRMAN. Mr. Hope, I have no additional questions for you at this time. There's a lot of conflicting committee meetings this morning. Senator Proxmire is sorry he couldn't be here. He has three different Appropriations Committee meetings at the same time. I happen to also be on those same three subcommittees of Appropriations, but as chairman, you have to be here whether you want to or not, and this morning, I do want to be here. But there may be some questions from those who could not be here this morning. If there are, we will get them to you rapidly, so that you can respond to them. We would like to be able to hold a markup on your nomination before the end of next week, so we can report it to the floor before the congressional Easter recess.

So unless you have something to add, I have nothing else for you this morning.

Mr. HOPE. Thank you very much, Mr. Chairman. I am most grateful for the opportunity to be here, and I hope I will be able to serve.

The CHAIRMAN. Thank you very much. We look forward to working with you.

[Whereupon, at 11:30 a.m., the hearing was adjourned.]

[Biographical sketch of nominee follows:]

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Hope, Jr. (LAST) Clarence (FIRST) Caldwell (OTHER)

Position to which nominated: Director, FDIC Date of nomination: March 10, 1986

Date of birth: 5 (DAY) 2 (MONTH) 1920 (YEAR) Place of birth: Charlotte, North Carolina

Marital status: Married Full name of spouse: Mae Duckworth Hope

Name and ages of children:

Stephen Douglas Hope	38	
Clarence Caldwell Hope, III	34	
Joan Jennings Hope	31	

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Central High School Charlotte, N. C.	1934-37	Diploma	June, 1937
Mars Hill Junior College Mars Hill, N. C.	1938-41	Diploma	May, 1941
Wake Forest University Wake Forest, N. C. (now Winston Salem, N.C.)	1941-43	B.S.	June, 1943
Harvard Business School Boston, Mass. (under U.S.Navy Program)	1943-44	Diploma	October, 1944
Rutgers University	1951-53	Diploma	June, 1953
Stonier School of Banking (Summer Sessions)	1954-56	Diploma	June, 1956

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships, and any other special recognitions for outstanding service or achievement.

World War II - Battle Star - Battle of Okinawa

Omicron Delta Kappa - Honorary Leadership - Wake Forest University

Hall of Fame - Garinger High School (Successor to Central High School)

Distinguished Alumnus Award - Wake Forest University

Alumnus of the Year - Mars Hill College, 1984

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
See Attached		

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and dates of inclusive employment.

U. S. Navy Aviation Station - Jacksonville, Florida - Clerical - 1945-46

Esso Standard Oil of New Jersey - Charlotte, N.C. -Sales Trainee 1946-47

First Union National Bank - Charlotte, N. C. - Vice Chairman - 1947-1985
(Originally named Union National Bank) Retired February 28, 1985

Name in Full	Address	Type	From	To	Office Held
American Bankers Assn.	Washington, D.C.	Trade Assn.	1947	Present	President
					Chairman, Task Force on Relationships with Comptroller of the Currency; Chairman, Task Force on Relationships with all Bank Regulatory Agencies (FDIC & Federal Reserve)
					Chairman, Bankpac
					Member, Regulation Y Task Force
N. C. Bankers Assn.	Raleigh, N.C.	Trade Assn.	1947	Present	Chairman, Government Relations Council
Charlotte Chamber of Commerce	Charlotte, N.C.	Local Chamber	1947	1985	Treasurer
Association of Bank Holding Companies	Washington, D.C.	Trade Assn.	1954	1985	Chairman, Government Relations Council
Federal National Mortgage Assn. Advisory Board	Washington, D.C.	FNMA	1980	1982	Member
Chamber of Commerce of the U.S.	Washington, D.C.	U.S. Chamber	1950	1985	Public Affairs Committee
Robert Morris Associates	Philadelphia, Pa.	Bank Loan Officers	1949	Present	President, Regional Chapter
Comptroller of the Currency	Washington, D.C.	Regulator	1968	1970	Member, Advisory Committee
Wake Forest University	Winston Salem, N.C.	University	1960	Present	Trustee Chairman
Southwestern Graduate School of Banking at SMU	Dallas, Texas	Summer Banking School	1984	Present	Dean, 10 day summer session
Foundation of Southwestern Graduate School of Banking at SMU	Dallas, Texas	Foundation	1980	Present	Trustee
University of California at Berkley, National Center on Financial Services	Berkley, Calif	Research	1984	Present	Advisory Board Member
Charlotte Coliseum, Auditorium, Convention Center Authority	Charlotte, N.C.	Public Facilities	1975	1985	Chairman
Association of Reserve City Bankers	Washington, D.C.	Trade Assn.	1960	1973	Member, Government Relations Committee

Name in Full	Address	Type	From	To	Office Held
Rutledge College	Charlotte,N.C.	Private Business School	1984	Present	Member, Advisor Board
American National Red Cross	Charlotte,N.C.		1952	1960	Chairman
Charlotte Executives Club	Charlotte,N.C.		1962	1968	President
Charlotte Merchants Assn (Director)	Charlotte,N.C.		1965	Present	President
Central Charlotte Assn (Director)	Charlotte,N.C.		1965	1970	President
Charlotte Mecklenburg Public Library	Charlotte,N.C.		1968	1972	Trustee
N.C. Symphony Society	Raleigh,N.C.		1972	1976	President & Chmn
N. C. Alliance for Arts in Education (Director)	Raleigh, N.C.		1974	1978	Chairman
Newcomen Society	Charlotte,N.C.	Business Historical Society	1960	Present	
Goodfellows Club	Charlotte,N.C.	Charitable	1965	1985	Trustee
Myers Park Country Club	Charlotte,N.C.		1955	Present	
Charlotte Country Club	Charlotte,N.C.		1971	1976	
Charlotte City Club	Charlotte,N.C.	Luncheon Club	1960	Present	
Raleigh Capital City Club	Raleigh,N.C.	Luncheon Club	1983	1985	
Army-Navy Club	Washington,D.C.		1958	1965	
First Baptist Church	Charlotte, N..C.		1934	Present	
	Chairman, Deacons; Chairman, Building Committee, Co-Sunday School Director with wife, Mae, for 25 years				
Southeastern Baptist Seminary	Wake Forest, N.C.		1977	1979	Chairman, Development Council
Southern Baptist Annuity Board	Dallas, Texas		1974	1977	Trustee
N.C. Baptist Hospital	Winston-Salem, N.C.		1960	1964	Vice Chairman of the Board

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part-time service or positions.

N. C. Department of Commerce - Secretary - 1983-85

Comptroller of the Currency - Advisory Committee Member - 1968-70

Charlotte Auditorium, Coliseum, Convention Center - Chairman - 1975-85

N. C. Alliance for Arts in Education - Chairman - 1974-78

N. C. Symphony Society - President and Chairman - 1972-76

Charlotte-Mecklenbury Public Library - Trustee - 1968-72

Published writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

Political affiliations and activities: List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Political contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify the specific amounts, dates, and names of the recipients.

1978-85 - First Union Good Government Committee - $200 each year

1984 - James B. Hunt for Senate - $1000

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

Please see attached

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

Yes - I retired in February, 1985

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

No

3. Has anybody made you a commitment to a job after you leave government?

No

4. Do you expect to serve the full term for which you have been appointed?

Yes

Qualification:

In 1947 I was employed as a teller in a $35 million bank (Union National Bank) in Charlotte. I served in almost every capacity in that bank over the next 38 years, until my retirement in 1985. I was branch manager, organizer and manager of the bank's first commercial credit department, originator of the bank's first Standard Practices Manual, and organizer of the first General Office after the beginning of the bank's merger program in 1958. I participated in the negotiations of 28 bank mergers between the years 1958 and 1973. I was active in the negotiations to affiliate with the Cameron-Brown Co., the mortgage banking affiliate. I also initiated our negotiations with the factoring company acquired by the corporation.

I actively engaged in the activity which resulted in the establishment of the First Union Corporation Holding Company. I served during much of this period as Chief Administrative Officer of the bank. Throughout this period I moved successively from Assistant Vice President, to Vice President, Senior Vice President, Executive Vice President, and Vice Chairman of the bank.

Also, across the years I have served in many banking organizations and have gained a nationwide knowledge of banking and bankers. As President of the American Bankers Association I met with and spoke to bankers in all 50 states, as well as a number of foreign countries. In 1980, as President of the American Bankers Association, I was invited to visit the Bank of China in The Peoples Republic. During that period I also met with bankers in Japan, Taiwan, Hong Kong, Australia and New Zealand. I met with The International Monetary Conference in London, and the Latin American Bankers Conference in Brazil.

I have served as Chairman of a task force of the American Bankers Association, known as Task Force on Relationships With The Bank Regulatory Agencies. This task force conducted seminars across the nation between banks and regulators, including representatives of the Comptroller of The Currency, The FDIC, and the Federal Reserve. Bank Chief Executive Officers from all 50 states participated in these seminars.

I have served as Chairman of the Government Relations Council of the Association of Reserve City Bankers and the North Carolina Bankers Association. I have also served as a member of the Advisory Board of the Federal National Mortgage Association. In the commercial loan area I served as Regional Chapter President of the Robert Morris Associates, an organization of bank loan and credit officers.

In the field of banker education, I have served as Dean of the Southwestern Graduate School of Banking at Southern Methodist University, and have been a speaker and counselor at numerous seminars of The Assemblies For Bank Directors sponsored by Southern Methodist University.

My career in a bank that grew from $35 million in size to several billion in size, has been dedicated to working with bankers in all size banks across the grass roots of America.

As a result of this background and these experiences, I believe that I have a degree of understanding and knowledge that would help me serve the FDIC as a Director during this critical time. I will continue to study and will work diligently to encourage and develop soundness, safety and stability in the banking system of our nation. I would welcome that opportunity.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

As a retiree of First Union National Bank, I receive a supplemental retirement benefit and fringe benefits, i.e., hospitalization and medical insurance.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

None

3. Describe any business relationship, dealing or financial transaction (other than tax-paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None

4. List any lobbying activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

During my term as an officer and member of the American Bankers Association and the North Carolina Bankers Association, I participated in activity involved with national banking legislation.

5. Explain how you will resolve any potential conflict of interest that may be disclosed by your responses to the above items.

I am dedicated to support those actions which will be best for the welfare of the nation, and the soundness, safety, and stability of the financial institutions.

Civil, criminal and investigatory actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

My IRS Income Tax Return has been audited 3 times in the past. The most recent audit was for my 1973 return. No changes were required in any of my returns as originally filed.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None